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Executive Director  
NO. 97/65

November 26, 1997

TO COUNTY ASSESSORS:

GRAPEVINES--PIERCE'S DISEASE

Chapter 607 of the Statutes of 1997 (AB 122, Brown) is an urgency measure which amends section 53 of the Revenue and Taxation Code.<sup>1</sup> This measure, which authorizes county boards of supervisors to provide property tax relief to owners of grapevines destroyed by Pierce's Disease,<sup>2</sup> was effective on October 3, 1997.

Section 53 has provided that the initial base year value of grapevines subject to the three-year exemption under subdivision (i) of section 3 of article XIII of the California Constitution shall be their full cash value as of the lien date of their first taxable year. Section 53 has also provided an exception to this general rule in the case of grapevines planted to replace those that have been destroyed by the phylloxera virus. Specifically, a county board of supervisors may, after consulting with affected local agencies within the county's boundaries, adopt an ordinance providing that the initial base year value of such replacement grapevines shall be the factored base year value of the removed vines.

To qualify for this treatment, the grapevines that are being replaced must be less than 15 years of age and they must have been removed solely as a result of phylloxera infestation, as certified in writing by the county agricultural commissioner. In addition, the replacement grapevines must be substantially equivalent to the replaced vines (i.e., they must be of a similar type and planted at a similar density) and must be planted on the same parcel as the replaced vines. Under this exception, section 53 essentially provides for a transfer of the Proposition 13 base year value from the diseased grapevines to the replacement vines. The value that is transferred is the base year value of the diseased vines factored to January 1 of the first taxable year (the fourth year after replanting) of the replacement vines.

<sup>1</sup> All statutory references are to the Revenue and Taxation Code unless otherwise indicated.

<sup>2</sup> Pierce's Disease is a bacterial infection that kills grapevines, especially young ones, by interfering with their ability to transport water through the vine. It is primarily spread by an insect called the blue green sharpshooter. Pierce's Disease is present in some vineyards every year; however, at certain times the disease goes through cycles where a large area is affected. Presently, the only response is to replace the grapevine (From *Status of Pierce's Disease in Napa Valley Vineyards*, a report prepared by the Napa Valley Pierce's Disease Task Force.)

As amended by Chapter 607, section 53 extends the exception that was already applicable in the case of phylloxera infestations to situations involving Pierce's Disease. Thus, where a county board of supervisors has so provided by ordinance, the initial base year value of grapevines planted to replace grapevines that were removed solely as a result of Pierce's Disease, as certified in writing by the county agricultural commissioner, shall be the base year value of the removed vines factored to January 1 of the first taxable year of the replacement vines.

If you have any questions regarding the content of this letter, please contact our Real Property Technical Services Unit at (916) 445-4982.

Sincerely,

A handwritten signature in cursive script, appearing to read "Richard C. Johnson".

Richard C. Johnson  
Deputy Director  
Property Taxes Department

RCJ/grs